

To BeachMint Employees, Partners & Friends

In my 32 years as a professional in the technology arena I have been both a Founder and Investor (General Partner, Anthem Ventures). I've dealt with some interesting situations in these roles, but I'm having trouble thinking of anything that matches up to the experience I've had these past two weeks, due to one of the most untrue pieces of 'journalism' I've had the displeasure of reading about a company in which I have invested. I am, of course, referring to the July 3<sup>rd</sup> story on BeachMint published by PandoDaily.

To hopefully bring a definitive end to this ridiculous story, the BeachMint Board of Directors and I would like to emphasize how positive we are about the health and trajectory of the BeachMint business. The company has delivered strong year-over-year revenue and subscriber growth, has a solid balance sheet and with a phenomenal team in place is poised for continued success. It is for these reasons that we fully support its executive leadership team.

You cannot imagine how shocked and appalled we all were to read the headlines claiming, "BeachMint Board ousts founders; Company returns \$20 million to investors." These claims are utterly false. In fact, never in our aggregate careers as entrepreneurs, executives and investors have we seen such a baseless story published in the guise of "news." As the Board and investors referred to in the headline, we can say with great certainty that both claims are untrue. Specifically:

- Neither Josh Berman nor Diego Berdakin has been "ousted" or "removed" from the company. Indeed, at no time has the Board of Directors discussed removing Josh Berman (CEO) and Diego Berdakin (President) from the company – either informally or formally.
- \$20 million has not been "returned" or sent back to investors. In fact, return of capital to investors has never been discussed by the Board.

To our employees - the entire board is truly angered on your behalf. We are equal parts sympathetic for any undue stress this has caused you and outraged at the lack of regard for you or your families. There is no doubt that the carelessly published words impacted you all.

I've met many great journalists and each one of them would tell you that information, regardless of where it comes from, must be fact-checked.

At no time did anyone from PandoDaily contact any one of us – informally, or formally – to ask for corroboration or comment prior to the publication of this article. Nor did they contact anyone on BeachMint's leadership team. Apparently being factually accurate was less important than printing a salacious headline that could generate traffic.

As professionals with too many years of experience between us to mention, we resolved to give PandoDaily and its Editor time to admit that this story was simply built on misinformation; that it was egregious and factually inaccurate reporting.

Even after board members went on record to state this article had no truth to it, PandoDaily decided to write an 'update', not a retraction, suggesting that "time will prove them right." To dig into a position that is 100% untrue is simply ludicrous. Let me state as clearly as I possibly can: Time will not prove them right. Many facts of this article were inaccurate including the two assertions in the headline and no amount of time will change that.

Subsequent to their 'update' PandoDaily has simply moved on, seemingly without caring about the consequences of their actions. Meanwhile BeachMint's leadership team and employees have had to divert

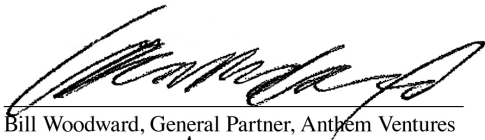
energy by communicating to partners, potential investors, future employees and the broader community that there really can be smoke *without* fire – and that a media report can be, and as in this case was, built upon mistruths and unfounded gossip.

We are not asking for an easy ride, and I want to be clear that we value the service and the purpose news sites have in our community. We are just asking for them to get their facts right. Particularly having made claims as damaging as “founders being ousted” and “Company returns \$20 million to investors”.

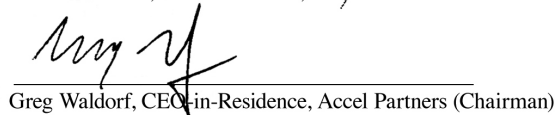
In publishing this letter it is our intent to set the record straight. I sincerely hope this doesn’t happen to other companies in our industry.

Sincerely,

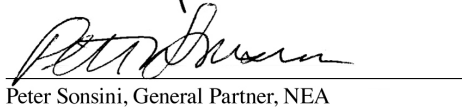
Bill Woodward, BeachMint Board of Directors and Observers:



Bill Woodward, General Partner, Anthem Ventures



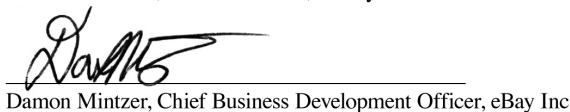
Greg Waldorf, CEO-in-Residence, Accel Partners (Chairman)



Peter Sonsini, General Partner, NEA



Patricia Nakache, General Partner, Trinity Ventures



Damon Mintzer, Chief Business Development Officer, eBay Inc



Sharon Weinbar, General Partner, Scale VP (Observer)

Paul Lee (digitally signed)

Paul Lee, General Partner, Lightbank Ventures (Observer)

Matt McCall (digitally signed)

Matt McCall, General Partner, NewWorld Ventures (Observer)